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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop and
Adopt Fire-Threat Maps and Fire-Safety
Regulations

R.15-05-006
(Filed May 7, 2015)

**JOINT PREHEARING CONFERENCE STATEMENT OF
PACIFIC GAS & ELECTRIC COMPANY (U-39-E), LIBERTY UTILITIES (CALPECO
ELECTRIC) LLC (U-933-E), PACIFICORP (U 902-E), DOING BUSINESS AS PACIFIC
POWER, BEAR VALLEY ELECTRIC SERVICE (U 913-E), A DIVISION OF GOLDEN
STATE WATER COMPANY, CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION,
THE LOS ANGELES DEPARTMENT OF WATER AND POWER,
AND THE SACRAMENTO MUNICIPAL UTILITY DISTRICT**

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Dated: June 17, 2016

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I. INTRODUCTION

Pursuant to Rule 7.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("CPUC Rules") and Administrative Law Judge ("ALJ") Kenney's June 2, 2016 Ruling Setting a Prehearing Conference and Authorizing Parties to File Prehearing Conference Statements ("ALJ Ruling"), Pacific Gas & Electric Company ("PG&E"), Liberty Utilities (CalPeco Electric) LLC ("Liberty Utilities"), PacifiCorp, doing business as Pacific Power ("PacifiCorp"), Bear Valley Electric Service ("BVES"), a division of Golden State Water Company, the California Municipal Utilities Association ("CMUA"), the Los Angeles Department of Water and Power ("LADWP"), and Sacramento Municipal Utility District ("SMUD") (collectively, the "Joint Utilities") respectfully submit this joint prehearing conference ("PHC") statement. ALJ Kenney requested that the parties' PHC statements provide comments concerning particular questions identified in the ALJ Ruling.^{1/} Accordingly the Joint Utilities submit this PHC statement in order to provide their perspective on the issues identified in the ALJ Ruling.

^{1/} Pursuant to Rule 1.8(d), PG&E has been authorized to tender this prehearing conference statement on behalf of Liberty Utilities, PacifiCorp, BVES, CMUA, LADWP and SMUD.

II. PREHEARING CONFERENCE ISSUES

The Joint Utilities respond to the questions posed in the ALJ Ruling as follows:

1. ***Any objections to the preliminary scoping memo set forth in OIR 15-05-006 regarding the category of this proceeding, the need for hearings, issues to be considered, and/or the schedule?***

Rulemaking (“R.”) 15-05-006 should be categorized as quasi-legislative. First, although the preliminary scoping memo in R.15-05-006, which is the successor to R. 08-11-005, categorized this proceeding as ratesetting, R.08-11-005 was categorized as quasi-legislative^{2/} and the quasi-legislative category is more appropriate here.

Pursuant to Rule 1.3 of the CPUC Rules, a quasi-legislative proceeding establishes policy or rules affecting a class of regulated entities or investigates practice for an entire regulated industry. On the other hand, ratesetting proceedings are designed to set rates or establish a ratesetting mechanism for a specifically named utility or utilities. The issues within the scope of this proceeding (i.e., fire-threat maps and fire safety regulations) are policy issues that will affect entire classes of regulated entities, and the category of this proceeding should be quasi-legislative consistent with R.08-11-005.^{3/}

Second, PG&E and the other cost-of-service utilities have already established memorandum accounts to record costs associated with R.08-11-005 and R.15-05-006. To the extent that this proceeding results in new fire safety regulations, the Joint Utilities intend to implement those new mandates and record associated costs in this memorandum account. Subsequent proceedings where utilities seek recovery of the amounts recorded in memorandum accounts would appropriately be categorized as ratesetting, but that category is premature here.

^{2/} See the fifth scoping memo, *Assigned Commissioner’s Scoping Memo and Ruling for Track 3 Issues*, in R.08-11-005 (February 16, 2015) and see the original scoping memo, *Assigned Commissioner’s Ruling and Scoping Memo*, in R.08-11-005 (January 6, 2009).

^{3/} CPUC Rule 1.3(d) defines quasi legislative proceedings as “proceedings that establish policy or rules (including generic ratemaking policy or rules) affecting a class of regulated entities.” R.08-11-005 as superseded by R.15-05-006 focuses on establishing fire-safety maps and fire-safety rules.

2. *The specific matters that should be addressed by the Fire Map 2 Work Plan, in addition to those listed previously in this ruling. These additional matters may include the following topics recommended by the parties:*

a. Examining vegetation issues in low wind areas.

The Joint Utilities agree that winds, when associated with high ambient temperatures and low humidity,^{4/} play a significant role in fire behavior and that it is appropriate to include distinct wind analysis within the fire mapping and modeling process. For this reason, it is appropriate to distinguish areas of low, medium and high wind.

In fact, the effort to identify wind speed areas may be aided by the Governor's Tree Mortality Proclamation^{5/} and associated Executive Order ("EO"). This EO directed the California Department of Forestry and Fire Protection (Cal Fire) to create "High Hazard Zones" ("HHZs") where areas of tree mortality overlap with human infrastructure. These HHZs are statewide and include areas with low, moderate and high winds.

Local knowledge of winds and other external variables like drought, insects, disease or human influence will further aid this effort. However, evaluation of vegetation issues in low wind areas should not delay implementation of Map 2. The Map 2 process and result should provide the flexibility to enable successful, field-based, local decisions and action.

b. Including utility knowledge of local conditions in setting the boundaries of the High Fire-Threat District.

As described above, utility input and local knowledge will be critical to the effective development of High Fire-Threat District Boundaries. Utilities and utility employees have accumulated years of experience building and maintaining lines along the urban and wildland interface and in addressing vegetation management issues in these areas. As such, the local utilities are uniquely suited to use their historical knowledge to suggest adjustments in fire threat

^{4/} As discussed below, high winds may also be associated with rain and winter weather depending on the time of year.

^{5/} On October 30, 2015, Governor Brown issued a Proclamation of a State of Emergency regarding an epidemic of tree mortality caused by severe drought and a massive bark beetle infestation, resulting in worsened wildfire risk in much of the State, among other significant impacts.

district boundaries.

c. Investigating whether wind should be a factor in the definition of the High Fire Threat District and whether wind should apply differently in Northern California and Southern California.

Wind conditions should be incorporated to develop High Fire-Threat Districts. While strong winds are not required to ignite or propagate a fire, such winds will contribute to fire spread and difficulty of control. Importantly, the timing of wind events (whether associated with winter rain storms or summer heat storms) and the potential impacts to fire threat are distinctly different when comparing Northern and Southern California. Thus, while the impacts of wind should be applied consistently, the overall impacts and timing of individual wind events should factor into the development of High Fire-Threat Districts. To the extent this is determined to be a significant influencer of designating the High Fire-Threat Districts, it would result in modifications to the existing IET Map 1 product, wherein wind is a significant variable expressed within the Fire Spread component of the calculated score for any given location.

d. Revisiting issues for which there was not full agreement regarding Fire Map 1's model for fire spread and fire volume. These issues include bias in wind direction, linkage between surface fire and crown fire, and fire spread in response to wind direction.

The Fire Map 2 Work Plan and implementation should not be delayed based on issues and concerns with Fire Map 1 outputs. Fire Map 1 validation and reconciliation should proceed in parallel with development of Fire Map 2. Cal Fire and the IET (CalFire/IET) should take a leadership role in working with interested parties to complete validation and reconciliation of Fire Map 1. Upon completion of Fire Map 1 validation and reconciliation, any adjustments to Fire Map 1 and/or the adoption of revised technical assumptions resulting from the Fire Map 1 validation and reconciliation effects can be incorporated into final Fire Map 2 development, as applicable.

e. Comparing the dates associated with the top two percent of the climatology that drives Fire Map 1's fire ignition and fire spread models with the 4-month window used to develop the average live fuel moisture data.

For the reasons discussed below, the Fire Map 1 validation and reconciliation process

should include an examination of the four-month fire climatology in parallel with the Fire Map 2 Work Plan.

In Fire Map 1, the Fosberg Fire Weather Index (FFWI) was used to select the top 2% of records used to model fire ignitions and spread. However, the FFWI is more sensitive to wind than relative humidity and temperature. This factor may inadvertently allow cool, windy winter days to be included in the top 2% of records. To investigate this concern, the daily maximum FFWI was computed using observational data from the Sugarloaf RAWS station north of Lake Shasta at an elevation of approximately 3200 feet using similar methodology to the IET. This investigation determined about 10% of the daily maximum FFWI records from this station occurred during January with maximum temperatures in the 50s and 60s. More investigation, validation and reconciliation is recommended. During this investigation, consideration should be given to the data and assumptions supporting fuel moisture levels for fire ignition modeling. These assumptions may exaggerate (and highlight the wrong locations of) fire threats in Northern California and de-emphasize certain other areas.

f. Assessing whether the LANDFIRE surface fuel dataset used in Fire Map 1 overstates the fire hazard in some areas because it assumes continuous vegetation when, in reality, there are areas where vegetation is sparse or discontinuous.

As stated previously, Cal Fire and the IET should take a lead role to validate the LANDFIRE surface fuel dataset and other Fire Map 1 inputs. However, like other Fire Map 1 validation and reconciliation efforts, this work should proceed in parallel with implementation of the Fire Map 2 Work Plan so that development of Fire Map 2 is not delayed.

g. Evaluating whether the non-burnable areas excluded from Fire Map 1 (e.g., large bodies of water) should be expanded.

Validation and reconciliation of areas identified as non-burnable in Fire Map 1 should be completed in parallel with implementation of the Fire Map 2 Work Plan so that development of Fire Map 2 will not be delayed based on issues and concerns with Fire Map 1 exclusion areas.

h. Incorporating into Fire Map 2 the consequences (i.e., risks) of wildfires.

The Fire Map 2 Work Plan should incorporate the evaluation of the overall consequences and impacts of wildland fire. For example, areas of high frequency (and sometimes large) grass fires with proven low risk to life and property should be treated or categorized with less risk than areas where the presence of more problematic (“ladder”) fuels may contribute to fire “crowning” and more rapid and expansive wildland fire spread.

In other areas, locations with similar fuel characteristics may present radically different risk profiles based on the presence or absence of other conditions, including: population density, availability of first responder resources, access lanes and staging areas for first responders, adequate evacuation routes, and other limiting factors significant to collective fire consequences.

i. Incorporating into Fire Map 2 the risk to communities from power-line fires that ignite in developed areas under fire-weather conditions.

Please see response to 2.h with an emphasis on the importance of utility local knowledge described in response to 2.b.

j. Expanding high fire-hazard areas relative to Fire Map 1 to reflect utility-related fire hazards associated with developed areas, such as vehicle-pole accidents.

Please see response to 2.h with an emphasis on the importance of utility local knowledge described in response to 2.b. While there may be little statistical basis for modeling largely random events such as car-pole accident locations, the Fire Map 2 process should consider fire threats based on the average response time of fire protection agencies and the availability of fire suppression support.

k. Incorporating into the Work Plan the detailed steps for converting Fire Map 1 into Fire Map 2, such as SDG&E’s proposal that is summarized in D.16-05-036 at Section 6.5.

SDG&E has made substantial progress in development of a functional Fire Map 2 for its service territory. Accordingly, all parties would be advantaged and the overall process expedited, if SDG&E was encouraged to complete the steps outlined in its proposed work plan. SDG&E’s work plan could serve as a model for the other utilities, subject to adjustment on a utility by utility basis based on utility-specific characteristics and the outcome of the Fire Map 1

validation and reconciliation efforts.

1. Developing a supplemental map that addresses the fire hazard of trees contacting power lines, with the objective of developing vegetation management and inspection regulations in identified high-risk areas.

Different tree species tend to fail differently (e.g., root failure, trunk failure, or branch drop) and at different rates. Thus, since certain species are associated with certain types of failures and failure rates, an analysis of those vegetation types can be made to better predict the threat from hazard trees in certain areas. Therefore, the results of Fire Map 2 could incorporate data on areas of certain vegetation types that present greater risks for tree-line contacts or tree-caused outages.

Even before a tree species specific map is developed, this proceeding should consider enhanced vegetation management as an effective mitigation in the newly identified High Fire-Threat Districts.

3. Recommended procedures for the development and adoption of the Fire Map 2 Work Plan.

The Fire Map 2 Work Plan should be developed in a manner consistent with development of the Fire Map 1 Work Plan. However, the Map 2 plan should be informed by and benefit from the course taken and lessons learned during execution of the Map 1 Work Plan and should be expected to proceed more quickly.

The plan should focus on frequent collaborative communications, regular reports on progress and schedule attainment with specific deliverables. In particular, while the Map 2 schedule should be as expeditious as practical, it must allow for complete validation and reconciliation and adequate evaluation before adoption.

4. The role of the California Department of Forestry and Fire Protection (Cal Fire) and its Independent Expert Team with respect to the development of the Fire Map 2 Work Plan.

Cal Fire and the IET should work with technical representatives of the utilities on the validation and reconciliation of Fire Map 1 in parallel with development of Fire Map 2 and be positioned to integrate the results of that effort back into a revised fire map, as appropriate.

Regular reports from the Cal Fire/IET team of Fire Map 1 regarding its validation and reconciliation findings will help to inform and expedite Fire Map 2 development.

The Cal Fire/IET team should assist in review and validation of Map 2 before adoption.

5. ***The schedule for the development and adoption of the Fire Map 2 Work Plan. The schedule should list the major events leading to the adoption of the Fire Map 2 Work Plan, such as workshops, workshop report, written comments, motions for evidentiary hearings, proposed decision, etc., with a date or time frame for each listed event.***

The Joint Utilities propose the following schedule for the development and adoption of the Fire Map 2 Work Plan:

MAP 2 WORK PLAN	
Event	Schedule
Public Workshops to develop work plan for Final Fire Threat Map (Map 2).	July 2016 – August 2016
Workshop Report Filed and Served	September 16, 2016
Opening Comments on the Workshop Report Filed and Served	October 7, 2016
Reply Comments on the Workshop Report Filed and Served	October 17, 2016
Proposed Decision Issued (if no hearings)	TBD

6. ***The need for evidentiary hearings regarding the development and adoption of the Fire Map 2 Work Plan. Any party that believes evidentiary hearings are needed shall identify the material factual issues that require evidentiary hearings.***

The Joint Utilities do not foresee the need for evidentiary hearings at this time.

7. ***Possible ways to accelerate the development and adoption of the Fire Map 2 Work Plan. One possibility might be a phased roll out of Fire Map 2, with lower priority issues deferred to later versions of Fire Map 2.11.***

The Joint Utilities recommend the following:

- 1) Allow SDG&E to complete development of the fire threat map for its territory as a “pilot” while the Cal Fire/IET team completes validation and reconciliation of Fire Map 1;
- 2) Allow for utility autonomy in development of Fire Map 2 after CalFire/IET team and stakeholders have assisted in development of an appropriate Fire Map 2 Work Plan;

3) Explore the option that utilities could develop smaller scale fire threat maps for “pilot counties.” Schedule workshops to review draft “pilot county” fire threat maps to provide CalFire/IET and other stakeholders visibility to the outputs during development and to provide opportunity for input and calibration among parties; and

4) Support a process whereby service territory specific Fire Threat Maps will “roll up” into a statewide Fire Map 2.

- 8. *The status and progress of the quarterly meetings that the Panel is required to hold pursuant to D.16-05-036 at Ordering Paragraph 4, for the purpose of considering the need for new fire-safety regulations based on Fire Maps 1 and 2.***

The Joint Utilities understand Southern California Edison Company will include with its Prehearing Conference Statement a summary of the quarterly Panel meetings.

- 9. *Whether this proceeding will extend beyond the 18-month deadline for ratesetting proceedings and, if so, whether, and at what point, the Commission should close this proceeding and open a successor rulemaking proceeding.***

As discussed above, the Joint Utilities recommend the Commission change the category of this proceeding to quasi-legislative and, if needed, extend the deadline for resolving all issues in this proceeding.

R.15-05-006 should remain open to address the issues that are within the current scope of the proceeding, such as the Map 2 development processes, and the development of the “menu of rules” for General Order 95 that are needed for any new fire threat districts created by the Fire Map 2 process. Opening a new proceeding and transferring the current scope is likely to delay the resolution of the current issues and alter the overall scope of this proceeding.

However, for items that are not within the current scope of this proceeding, and for any items that were not sufficiently addressed in previous Phases and Tracks of this rulemaking, the Commission should consider opening a new rulemaking to address those items rather than expanding the scope of this proceeding or adding additional phases or tracks.

III. CONCLUSION

The Joint Utilities appreciate the opportunity to submit this PHC Statement in advance of the June 22, 2016 Prehearing Conference.

Respectfully submitted,

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